



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL



Extraordinary Council Meeting Agenda

Thursday, 17 June 2021

9.00am

Council Chamber, 28-32 Ruataniwha
Street, Waipawa

Together we Thrive! E ora ngātahi ana!

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- 1 **KARAKIA**
- 2 **APOLOGIES**
- 3 **DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 **STANDING ORDERS**

RECOMMENDATION

THAT THE FOLLOWING STANDING ORDERS ARE SUSPENDED FOR THE DURATION OF THE MEETING:

- 21.2 TIME LIMITS ON SPEAKERS
- 21.5 MEMBERS MAY SPEAK ONLY ONCE
- 21.6 LIMITS ON NUMBER OF SPEAKERS
- THAT 22.4 OPTION C UNDER SECTION 22 GENERAL PROCEDURES FOR SPEAKING AND MOVING MOTIONS BE USED FOR THE MEETING.

5 REPORTS FROM COMMITTEES

5.1 MINUTES OF THE COUNCIL MEETING HELD ON 3 JUNE 2021

File Number: COU1-1400

Author: Caitlyn Dine, Governance & Support Officer

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Minutes of the Council Meeting held on 3 June 2021

RECOMMENDATION

1. That the minutes of the meeting of the Council held on 3 June 2021 be received.

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 3 JUNE 2021 AT 9.00AM**

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Jerry Greer
Cr Exham Wichman
Cr Brent Muggeridge
Cr Tim Aitken
Cr Gerard Minehan
Cr Kate Taylor
Cr Pip Burne
Kaiaarahi Matua Roger Maaka

IN ATTENDANCE: Monique Davidson (Chief Executive)
Brent Chamberlain (Chief Financial Officer)
Nicola Bousfield (Group Manager, People and Business Enablement)
Doug Tate (Group Manager, Customer and Community Partnerships)
Darren de Klerk (Director Projects and Programmes)
Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Caitlyn Dine (Governance and Support Officer)

1 KARAKIA

Councillor Exham led the Karakia

2 APOLOGIES

Nil

3 DECLARATIONS OF CONFLICTS OF INTEREST

Councillor Aitken declared a conflict of interest on report 7.3 and he advised he would leave the room for the conversation.

4 STANDING ORDERS

RESOLVED: 21.70

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

THAT the following standing orders are suspended for the duration of the meeting:

20.2 Time limits on speakers

20.5 Members may speak only once

20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED**5 CONFIRMATION OF MINUTES****RESOLVED: 21.71**

Moved: Cr Kate Taylor

Seconded: Deputy Mayor Kelly Annand

That the minutes of the Ordinary Council Meeting held on 13 May 2021 and the Extraordinary Council Meeting held on 27 May 2021 as circulated, be confirmed as true and correct as amended.

CARRIED**6 REPORTS FROM COMMITTEES****6.1 MINUTES OF THE STRATEGY AND WELLBEING COMMITTEE MEETING HELD ON 6 MAY 2021****RESOLVED: 21.72**

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Pip Burne

1. That the minutes of the meeting of the Strategy and Wellbeing Committee held on 6 May 2021 be received.

CARRIED**6.2 MINUTES OF THE FINANCE AND INFRASTRUCTURE COMMITTEE MEETING HELD ON 22 APRIL 2021****RESOLVED: 21.73**

Moved: Cr Exham Wichman

Seconded: Cr Brent Muggeridge

1. That the minutes of the meeting of the Finance and Infrastructure Committee held on 22 April 2021 be received.

CARRIED**6.3 MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING HELD ON 27 MAY 2021****RESOLVED: 21.74**

Moved: Cr Tim Aitken

Seconded: Cr Jerry Greer

1. That the minutes of the meeting of the Risk and Assurance Committee held on 27 May 2021 be received.

CARRIED

7 REPORT SECTION**7.1 RESOLUTION MONITORING REPORT****PURPOSE**

The purpose of this report is to present to Council the Resolution Monitoring Report. This report seeks to ensure Council has visibility over work that is progressing, following resolutions from Council.

RESOLVED: 21.75

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Kate Taylor

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mrs Davidson presented this report.

7.2 QUARTERLY NON-FINANCIAL PERFORMANCE REPORT JANUARY - MARCH 2021**PURPOSE**

The purpose of this report is to present to Council the Quarterly non-financial performance report for the period 1 January – 31 March 2021.

RESOLVED: 21.76

Moved: Cr Gerard Minehan

Seconded: Deputy Mayor Kelly Annand

That having considered all matters raised in the report:

That the Quarterly Non-Financial Performance Report 1 January – 31 March 2021 be received.

CARRIED

Mr Chamberlain presented this report.

7.3 APPOINTMENT OF ELECTED MEMBER TO INDEPENDENT COMMISSIONER EVALUATION PANEL**PURPOSE**

The purpose of this report is for Council to consider the appointment of a Councillor to the Independent Commissioner Evaluation Panel.

RESOLVED: 21.77

Moved: Cr Kate Taylor

Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report:

- a) **That Council appoint Councillor Tim Aitken as the elected member on the Independent Commissioner Evaluation Panel for Expression of Interest C1131.**

CARRIED

Mr Tate presented this report.

Councillor Aitken left the room at 9:36am as he declared conflict of interest being the discussion in this report.

Councillor Aitken re-joined the meeting at 9:45am

Mayor Walker left reports 7.4 and 7.5 for Councillor Muggeridge to Chair and moved to Section 8 Mayor and Councillors reports.

8 MAYOR AND COUNCILLOR REPORTS**8.1 MAYOR'S REPORT FOR APRIL - MAY 2021****EXECUTIVE SUMMARY**

The purpose of this report is to present Her Worship the Mayor's report.

This report will be presented to Council on the day.

RESOLVED: 21.79

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

That the Mayor's report for April – May 2021 be received.

CARRIED

Mayor Walker presented this report.

8.2 STRATEGY AND WELLBEING COMMITTEE CHAIR REPORT**PURPOSE**

The purpose of this report is to present the Strategy and Wellbeing Committee Chair Report.

RESOLVED: 21.80

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Exham Wichman

That the Strategy and Wellbeing Committee Chair Report for May 2021 be received.

CARRIED

Deputy Mayor Councillor Annand presented this report.

8.3 RUATANIWHA WARD REPORT**PURPOSE**

The purpose of this report is to present the Ruataniwha Ward Report.

RESOLVED: 21.81

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Pip Burne

That the Ruataniwha Ward Report for April – May 2021 be received.

CARRIED

Deputy Mayor Councillor Annand presented this report.

8.4 ARAMOANA/RUAHINE WARD REPORT**PURPOSE**

The purpose of this report is to present the Aramoana/Ruahine Ward Report.

RESOLVED: 21.82

Moved: Cr Tim Aitken

Seconded: Cr Jerry Greer

That the Aramoana/Ruahine Ward Report for April - May 2021 be received

CARRIED

Councillor Aitken presented this report.

9 CHIEF EXECUTIVE REPORT**9.1 ORGANISATION PERFORMANCE AND ACTIVITY REPORT APRIL - MAY 2021****PURPOSE**

The purpose of this report is to present to Council the organisation report for April – May 2021.

RESOLVED: 21.83

Moved: Cr Tim Aitken

Seconded: Cr Kate Taylor

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mrs Davidson presented this report.

9.2 HANDING OVER THE CHAIR**RESOLVED: 21.84**

Moved: Mayor Alex Walker

Seconded: Cr Jerry Greer

That Mayor Walker under Standing Order 14.1 vacate the Chair and Council agree for Councillor Muggeridge to take over the Chair.

CARRIED

Council went back to reports 7.4 and 7.5.

7.4 2020/2021 YEAR END FINANCIAL FORECAST**PURPOSE**

The purpose of this report is to inform Councillors about Council's expected year-end financial position. Due to the timing of the next Finance and Infrastructure Committee meeting, this report is presented to Council.

RESOLVED: 21.78

Moved: Cr Pip Burne

Seconded: Cr Exham Wichman

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mr Chamberlain presented this report.

7.5 KAIRAKAU WATER UPGRADE - PROJECT UPDATE (HARDNESS)**PURPOSE**

The matter for consideration by the Council is to provide Council with an update on the project and for Council to decide on whether to proceed with Water Hardness treatment as part of the Drinking Water Upgrade Project.

This being a follow up action from the Finance and Infrastructure Committee meeting on the 25th February 2021 outlined below, particularly item D;

- a) The Finance and Infrastructure Committee approve Option 1 to upgrade and construct a water treatment plant to meet DWSNZ and safeguard ongoing water supply.
- b) The Finance and Infrastructure Committee approve to locate the new treatment plant on land outlined in Scenario 2 – being to lease the existing Manawarakau Trust land neighbouring the existing spring and raw water storage
- c) The Finance and Infrastructure Committee approve to increase the project budget to \$850,000 using existing waters budgets and/ or Tranche One – 3 Waters stimulus funding while ensuring no impact on rates.
- d) That officers do additional work on the removal of the hardness in the water to meet community outcomes and report back to the Finance and Infrastructure Committee for consideration as part of the Long Term Plan 2021 – 2031
- e) That Council continue to monitor changes in regulations and guidance from Taumata Arowai on the roof water supply

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) **That council approve to include water hardness into the treatment process – with an expected budget of \$140,000 for treatment equipment**
- b) **That council approve to in the short term collect the hardness treatment waste (brine) on site and tanker off site periodically at a lower CAPEX, but ongoing OPEX – within budget increase requested above.**
- c) ~~That council investigate the option to consent the discharge of hardness treatment waste (brine) to the ocean as a longer term solution, with CAPEX to be requested once understood.~~
- d) **That council increase the project budget from \$850,000 to \$990,000 using existing Long Term Plan 2021 – Year One set budgets.**

AMENDMENT

Moved: Mayor Alex Walker

Seconded: Cr Kate Taylor

C) That Council continues to investigate the longer term solutions for discharge of the by-product from the softening process. Further CAPEX funding to be requested once understood.

CARRIED

Mr de Klerk and Mr Kilduff presented this report.

Mayor Walker asked to amend resolution C.

Meeting adjourned at 11.00am for a morning tea break.

Meeting resumed at 11:30am into Public Excluded business.

10 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED: 21.85

Moved: Cr Exham Wichman

Seconded: Deputy Mayor Kelly Annand

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
10.1 - Resolution Monitoring Report - Public Excluded	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - Procurement Plan - #thebigwastewaterstory consultancy support	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	industrial negotiations)	
10.3 - Procurement Plan - Tikokino Road Water Main Renewal (Stage 2&3)	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.4 - Procurement Plan - Waipawa Firefighting Stages 1 - 3	<p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.5 - Procurement Plan - Otane Wastewater Pump Station	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.6 - April District Plan Key Project Status Report	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure

	authority s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

11 DATE OF NEXT MEETING**RESOLVED: 21.86**

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

THAT the next meeting of the Central Hawke's Bay District Council be held on 17 June 2021.

CARRIED**12 TIME OF CLOSURE****The Meeting closed at 12:35pm.****The minutes of this meeting were confirmed at the Council Meeting held on 17 June 2021.**.....
CHAIRPERSON

6 REPORT SECTION

6.1 ENDORSEMENT OF ASSET MANAGEMENT PLANS

File Number: COU1-1400

Author: Josh Lloyd, Group Manager - Community Infrastructure and Development

Authoriser: Monique Davidson, Chief Executive

Attachments: [Land Transport](#)

[3 Waters](#)

[Solid Waste](#)

[Community Buildings and Property](#)

[Parks and Open Spaces](#)

PURPOSE

The matter for consideration by the Council is the endorsement of the Asset Management Plans.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) **That Council endorse the Asset Management Plans that have been developed to form the basis of the 30-year Infrastructure Strategy and 2021 - 2031 Long Term Plan.**

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes, and while endorsement is sought of the Asset Management Plans given its relationship to the Long Term Plan 2021-2031, the decision to endorse the Asset Management Plans themselves, has been assessed as not significant.

BACKGROUND

Councils 2021 – 2031 Long Term Plan (the Plan) sets out the delivery of services across the range of Council activities for the ten years. The Plan provides an explanation of key services being delivered, those expected to change and importantly the costs associated with each activity. Underlying the Plan is a further level of detail for each activity that in a more comprehensive way provides certainty on the objectives, levels of service and work/resources to deliver. These more detailed plans are referred to in the organisation as Asset or Activity Management Plans (AMPs).

The terms 'Asset' and 'Activity' Management Plans are largely interchangeable with both serving the same purpose but 'Asset' being used to identify those activity classes that are more dependent on assets rather than services to deliver value. Critically these 'Asset' Management Plans feed into the adopted Infrastructure Strategy as well as the LTP.

A significant amount of work has been completed in the organisation since the AMPs were last completed and published in 2018. The organisation has largely the same challenges that it had in 2018 but the understanding of these challenges and the confirmation of work plans and priorities to address these challenges has greatly increased. There has also been a significant step change in the level of formality applied to planning in some asset/infrastructure "heavy" activities. The culmination of the above has resulted in AMPs that are considerably different and vastly improved upon from those that were created in 2018.

Historically the Council table has not had direct visibility of the AMPs as they have been considered to sit a level of operational detail not necessary for governance to be across. This year Officers wish to share the AMPs as it is considered important for governance to have line of sight through the spectrum of decision making as it relates to our activities.

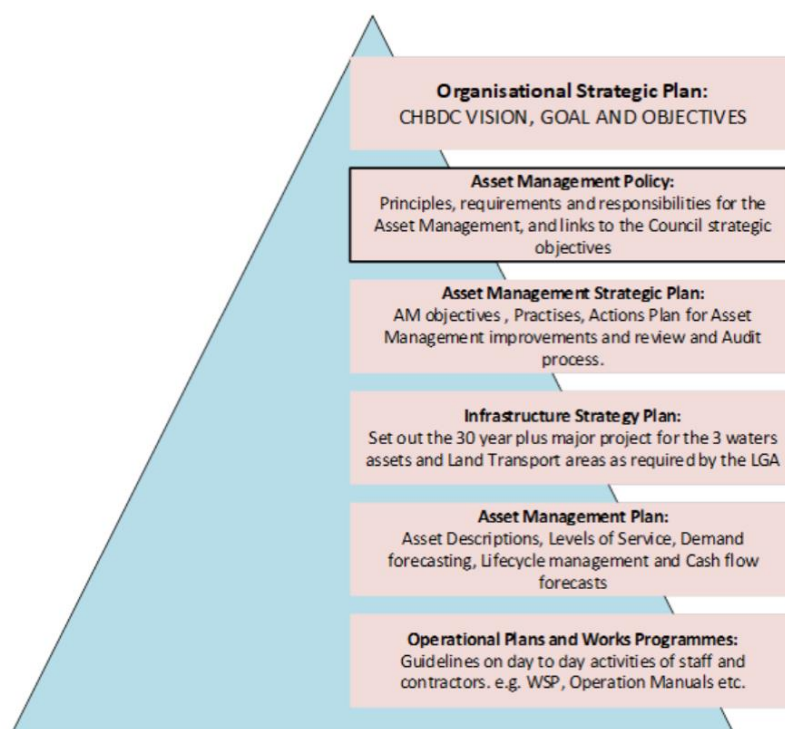
DISCUSSION

Officers are seeking to provide detail to Council about the various plans to manage each of the organisations asset-focussed activities through the period of the LTP. Attached to this report are full copies of completed AMPs for:

- Land Transport
- 3 Waters
- Solid Waste
- Community Buildings and Property
- Parks and Open Spaces

The AMPs attached have been prepared by Officers and represent the full set of plans to deliver services with respect to the relevant activity. The AMPs have fed through into the adopted Infrastructure Strategy and budgets have been modelled through into the adopted Financial Strategy. The AMPs in each case are constructed differently by Council's Asset Managers but contain the same necessary information about purpose, objectives, levels of service, state of the assets, approach to planning and decision making and ultimately the plans to maintain, replace and upgrade the assets themselves.

AMPs are an integral part of Councils Asset Management System (the System) which is the acknowledged approach to how Council coordinates its various activities, processes and resources to deliver asset management outcomes. The System is not formal or documented in some cases and this is a known area for improvement. At its simplest, the system can be used to depict the interaction between various levels of decision making within asset management:



As shown the AMPs sit toward the lower levels of the hierarchy of documentation within the System and represent a more tactical and operational approach to asset management. The table below further explains the relationship of the AMPs and other artefacts in the System, as well as some other key Council documents, with respect to the Asset Management Policy (the Policy). The Policy is used as a reference point as it is the first (highest) order document in the System.

Policy, Plan or Strategy	Relationship to 'the Policy'
Existing Asset Management Policy	The existing Asset Management Policy will be superseded by this document.
Infrastructure Strategy	Subordinate to the Policy and other documents and contains the 30yr strategy for managing key asset classes at a higher level of detail than individual asset management plans
Council Risk Framework	The Risk Framework prescribes in detail the risk approach used by Council. This approach will be used in asset management decision making – as outlined in this Policy.
Finance Strategy	Together with the Policy, and other documents area key feed into Councils Long Term Plan
Strategic Asset Management Plan	To be developed. Will be subordinate to the Policy and will contain Asset Management Objectives and strategic approach to managing assets
Asset Management Plans	Subordinate to the Policy and will highlight work to be performed on the assets, with suitable justification in line with the Policy intent, principles and policy statements.

Below each AMP is summarised with attention given to the key areas of divergence from previous versions of the AMP.

Land Transport AMP.

Areas of Focus.

This AMP presents a continued focus on maintaining levels of service on the transport network as guided by several external constraints and inputs such as the One Network Road Classification and Waka Kotahi's programme, funding and audit/review processes. Specifically, the plan presents a programme of work that is considered to strengthen CHBs existing road network and build a stronger case to Waka Kotahi for continued support and investment.

Areas of Divergence from Previous AMPs.

The Land Transport activity has benefited from a relatively high level of asset management expertise through previous versions of the AMP so this AMP is not significantly different from previous versions. This version makes specific reference to community values and Project THRIVE aspirations and provides an update and new information with respect to the technical parameters of the network.

Key Projects/Plans.

The AMP presents a number of rolling programmes of work that are each justified based on engineering and asset management expertise. The programmes cover planned and reactive maintenance tasks, general upgrades and improvement to enhance safety and road-user experience and a continued focus on higher value and higher risk programmes that relate to our many structures (bridges, walls and culverts).

3 Waters AMP.

Areas of Focus.

This AMP has focussed significantly on two key areas being Compliance and Renewals. There are significant programmes of work underway already and further planned to meet new and increasing compliance standards across our waters assets with Wastewater treatment and discharge at the forefront and needing the largest investment. Renewal programmes of ageing reticulation assets are also a key focus area with known risk in the network from continued and increasing frequencies of pipe failures.

Areas of Divergence from Previous AMPs.

This AMP is significantly different from previous versions in that a much more sophisticated and rigorous approach has been used to determine network/asset constraints and programmes of work to address those constraints. This is true for both low-volume high risk assets and also for high-volume lower risk assets.

Low-volume high risk assets such as treatment plants, reservoirs and pumping equipment have benefited from a sustained period of intensive investment in improving the understanding of asset condition and performance. This is most notably evidenced with the plans developed to support now known issues at our wastewater treatment plants, at our reservoirs and with our water supply security risk in Waipukurau.

High-volume low risk assets such as pipe and general plant networks have benefited from recent improved asset management rigor utilising largely available existing asset data to inform decision making about necessary replacement volumes and locations based on risk. Comprehensive models of complete pipe networks have been developed to assess every listed asset for risk in terms of likelihood and consequence of failure. These models have been enhanced with the most up to date information available on asset condition and overlaid across existing work programmes to optimise investment plans. The result is a drastically enhanced view of reticulation asset risk and plans to mitigate.

Key Projects/Plans.

The AMP presents a number of listed projects as well as targeted rolling programmes of work to maintain and improve the asset base. Listed projects include:

- Improvements to all 6 wastewater treatment and discharge schemes
- Further stages of work to connect the Waipawa and Waipukurau drinking water supplies to build resilience
- The replacement of multiple reservoirs
- Significant amounts of pipe renewal

Solid Waste AMP.

Areas of Focus.

This AMP supports an activity (Solid Waste) that is not majority-driven by asset management outcomes but instead by service offerings. The primary asset of significance for the Solid Waste activity is the district landfill and secondary significant assets are the districts transfer stations. The remainder of the activity is delivered through the provision of physical service that rely on operational management rather than asset management. This AMP therefore focusses on the district landfill and transfer stations primarily and includes programmes of work to upgrade and maintain each.

Areas of Divergence from Previous AMPs.

This AMP is largely similar to previous versions but includes updated programmes of work based on current needs and drivers. It is considered by Officers that an opportunity exists in future

periods to improve the sophistication of asset management planning for this activity to bring it in line with other asset classes while still being scaled appropriately relative to risk.

Key Projects/Plans.

Key projects in the AMP include:

- A new weighbridge at the Waipukurau transfer station facility
- Surface improvements to the greenwaste area at Waipukurau
- The extension of the landfill into a new cell
- The development of a new purpose-built transfer station, re-use and recovery facility for the district.

Community Buildings and Property AMP.

Areas of Focus.

The focus of the Community Buildings and Property Asset Management Plan is to capture key components for continued operation and management. A thorough Community Facilities Strategy is planned for year one as well as continued development of the property and buildings asset register. The four key areas addressed by this asset management plan and their level of service statements are:

Community Facilities (community & commercial) are activated and vibrant community spaces that are well used by our community. This activity includes theatres, halls, swimming pools, museum, general property and the CHBDC Administration building (See Library Activity Plan for Library LOS and budget)

Public Toilets are clean, safe, in good working order and meet the needs of our community and visitors. They include public toilets open 24 hours along the main highways and in beach locations, public toilets in parks or situated with community halls that are open during the day, and toilets and changing rooms located in parks that are open only for sporting and special events.

Retirement Housing (48 Units): Safe, well maintained and comfortable community housing for our retired community is delivered through flats at Ruahine Place and Wellington Road (Waipukurau) and Kingston Place in Waipawa.

Campgrounds are commercial entities on Council leased land much of which falls on Reserve land. Campgrounds are in the parks and open spaces budget but due to the buildings being the focus they are covered in this asset management plan and include the Waipukurau Holiday Park, Blackhead Beach Campground, Pourerere Beach Campground. Kairakau Campground is found in Council Road Reserve.

Areas of Divergence from Previous AMPs.

This AMP demonstrates a need to move away from the typical historical renewals, by embarking on a community facilities strategy and asset management improvements so that the next LTP is able to demonstrate both strategic planning and a detailed plan of managing assets across the property and building portfolio.

Key Projects/Plans.

The Community Facilities Strategy is the number one focus for the first year of the LTP. This includes a community facility network plan which will play a large part in prioritising future activity in this area. Other activity includes supporting Waipukurau heated pool complex with EQ strengthening and continuing to bring Retirement Housing up to healthy homes standard and modernisations. Further into LTP is a focus on the Council Administration Building modernisations

and years 9 and 10 have funding for EQ strengthening of the Memorial Hall and CHB Municipal Theatre.

Parks and Open Spaces AMP.

Areas of Focus.

The focus of Parks services is to provide public open space for the preservation and management of areas for the benefit and enjoyment of the public. Over 158ha of open space is made up of civic gathering spaces, sportsgrounds, passive green areas, playgrounds, planted streetscapes, coastal and native bush areas, as well as walkways and cycle ways that contribute to health, recreation and the liveability of Central Hawke's Bay. AMP's are ongoing documents continually being updated. This AMP details playground assets and their improvement programme.

Areas of Divergence from Previous AMPs.

Prior AMPs focussed specifically on the assets. This AMP addresses the public experiential interface especially in the play assets section (5.2.1). The additional knowledge of the Integrated Spatial plan has also helped to identify a number of growth projects.

Key Projects/Plans.

There are large number of projects over the life of the LTP, but the first three years focus on the parks network plan and walking cycling plan which are all linked to Community Facilities Strategy, a major upgrade for Nelly Jull Playground, and urban improvements for Otane and Waipukurau.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

Officers are pleased to hear feedback on the AMPs presented. Officers are taking action to deliver on the AMPs as they currently stand in order to meet the expectations set with community through the LTP.

RECOMMENDATION

That having considered all matters raised in the report:

- a) That Council endorse the Asset Management Plans that have been developed to form the basis of the 30-year Infrastructure Strategy and 2021 - 2031 Long Term Plan.**

6.2 ADOPTION OF LONG TERM PLAN 2021 - 2031**File Number:** COU1-1400**Author:** Monique Davidson, Chief Executive**Authoriser:** Monique Davidson, Chief Executive**Attachments:**

1. Minutes of 13 May Council Meeting [↓](#)
2. Audit Report [↓](#)
3. [Long Term Plan 2021-2031](#)

PURPOSE

The purpose of this report is to present to Council the 2021 – 2031 Long Term Plan for adoption.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) That Council resolves that the Long Term Plan Budgets for financial years 2-10 (2023-2031) is not a balanced budget because operating revenues are not at a level sufficient to meet operating expenses primarily due to not fully funding depreciation as signalled in the financial strategy and balancing the budget sections of the Long Term Plan.
- b) That Council resolves that setting an unbalanced budget for years 2-10 (2023-2031) is prudent in terms of section 100 of the Local Government Act 2002 given Council is undertaking significant catch up in deferred asset renewals and is unable to fully fund depreciation during the course of this Long Term Plan without further financially stressing its ratepayers, having had regard to the matters in section 100(2) of the Local Government Act 2002.
- c) That Council note that Council is undertaking assets renewals at a rate faster than they are depreciating, meaning on average Councils assets are getting younger. This is achieved through a combination of rates and debt funding the renewals. While this strategy increases debt, Council maintains sufficient debt headroom and this temporary funding of renewals through debt does not financially distress the Council. It is Councils intention to revert to fully rate fund depreciation and renewals beyond 2031, thus returning Council to a balanced budget after this date. For these reasons Council believes it is prudent to run unbalanced budgets for 2023-2031.
- d) That Council adopt the 2021-31 Long Term Plan in accordance with section 93G of the Local Government Act 2002.
- e) That Council gives delegations to the Chief Executive to make any final edits, including minor changes from the audit process, to the Long Term Plan 2021 – 2031 ahead of formal publication.
- f) That Council amends its fees and charges schedule for 2021/22 to include a fixed administration fee of per new lot created of \$75 GST inclusive entitled “New Property File Creation”.

EXECUTIVE SUMMARY

The process to develop the Long Term Plan 2021-2031 began in May 2020. Following this was a detailed and robust LTP pre-engagement process through June and July 2020 as part of our ‘Thriving Future’.

Development of the Long Term Plan has progressed through numerous Council Workshops, Committee and Council meetings, and while formally beginning in May 2020, many of the building blocks have been developed over the last three years since the adoption of the 2018 – 2028 Long Term Plan.

Late February 2021 Council published its 2021-2031 Long Term Plan Consultation document and subsequently held a series of public meetings during March 2021 to consult on the proposed Long Term Plan. Also during March 2021 the public were requested to provide written feedback on the Long Term Plan.

In April 2021 those that through the written consultation process indicated they wished to, were invited to come into Council and verbally present their feedback direct to Councillors.

In May 2021 Council considered all the written feedback, verbal feedback, and officers advise, and resolved to make a number of changes to the long Term Plan based on this feedback. Officers then made these changes and Ernst Young audited them.

Today, Councillors are being presented with the final 2021-2031 Long Term Plan and are being asked to adopt the plan and proposed rates for 2021/22 that will enable this plan to be delivered.

BACKGROUND

What is a Long Term Plan (LTP)?

Council is required by legislation to adopt a Long Term Plan (LTP) and review it every three years.

The LTP sets out Council's activities, plans, budgets and policies and must be adopted before the beginning of the first year it relates to and continues in force until the close of the third consecutive year to which it relates.

The Process

The process to develop the Long Term Plan 2021-2031 began in May 2020. Following this was a detailed and robust LTP pre-engagement process through June and July 2020 as part of our 'Thriving Future', building on the major community engagement process – Project Thrive completed in 2017. This information and community feedback has been valuable in the ongoing development and refinement of the LTP.

Development of the Long Term Plan has progressed through numerous Council Workshops, Committee and Council meetings. These regular workshops and meetings have provided a strong and robust platform for the basis of the Long Term Plan. During the terms of workshops and meetings, Council have received all of the components of the Long Term Plan including:

- Community Outcomes – these have been reviewed and updated along with seven strategic measures being added to measure the achievement of these outcomes during the life of the plan.
- The Levels of Service and Performance Measures – these have been updated based on the Asset Management Plans and Council feedback and form part of the Supporting Information contained in each group and activity statement.
- Revenue and Finance Policy –this has been reviewed and consulted on through a separate consultation in late 2020 and forms part of the supporting information.
- Groups of Activities – These have been reviewed and the text through all of the activities updated to reflect the range of services and activities Council provide.
- Financial Strategy – this has been reviewed and updated based on the current expectations of Council to facilitate prudent financial management.
- Infrastructure Strategy – has been updated to show the current significant infrastructure issues and how the Council will manage these over the next 30 years.

- Significant Assumptions – these have been reviewed and updated based on current information and best guidance, particularly in relation to the effects of COVID-19, Climate Change, and the Three Waters Reform Programme.
- Development Contributions – this policy has been reviewed with substantial changes based on the assumptions and budgets included within the Long Term Plan.
- The Budget and Rates requirements for the next ten years - these have been reviewed and form part of the overall consultation on the Long Term Plan.

In accordance with section 93B of the Local Government Act 2002 (LGA), officers developed a Consultation Document and Supporting Information that reflected the decisions made and to provide the basis for consultation with the community. The Consultation Document set out the issues and opportunities facing Central Hawke's Bay, along with the key issues for consultation to inform the final LTP and the proposals and options put forward by Council. The Supporting Information includes the detailed information relied on to prepare the consultation document.

In accordance with section 93C of the LGA, the Consultation Document contained an audit report from Ernst Young that the consultation document gives effect to the purpose set out in section 93B and the quality of the information and assumptions underlying the forecast information provided in the consultation document.

The consultation on the LTP using the Consultation Document and Supporting Information was be done in accordance with section 83 of the LGA. As part of this, an Engagement Plan was developed to ensure compliance with section 83 and with the key principles of accessibility, transparency and genuine engagement.

Following the adoption of the Consultation, Council held a number of community meetings, a facebook live session, and several have Your Say meetings to discuss LTP and give feedback to the Council. Over the Consultation Period Council received 234 submissions. At the Hearings meeting, Council heard 26 verbal presentations of submissions. On 13 May 2021, Council held a Deliberations meeting to decide on the outcome of the Consultation items and other items raised during submissions.

For the five key initiatives Council consulted, the following was resolved:

1. Planning our wastewater upgrades
2. How do we fund the replacement of our assets
3. Creating a waste free CHB
4. How do we pay for growth
5. Three Waters Bylaws

DISCUSSION

This Long Term Plan is a significant Long Term Plan for Central Hawke's Bay. It presents an open and transparent view of the reality Council faces and a proposed way forward to address the challenges Council and the community face.

We now know more than we have ever known about the state of our assets, and that for more than two decades, our essential infrastructure has gone without the necessary funding and investment to ensure it is properly maintained. Historic approaches of choosing not to fund renewals and upgrades in order to keep rates artificially low, alongside short term investment decisions, has delivered an unfortunate reality for our communities today.

Many of our assets are at the end of their life, while Central Government legislative standards continue to change and increase. We are now left with failing 100-year-old pipelines, failed wastewater treatment plants - despite major community investment, as well as earthquake prone

buildings despite the expectation they had been strengthened. Our reality is that we now require major investment in nearly every aspect of Council's services.

To address this historic underinvestment, this Long Term Plan increases our debt limits and significant rates increases – not just in the first year of the plan, but through the life of the Long Term Plan Budget 2021-2031. The Long Term Plan 2021 – 2031, is about facing up to the facts.

In building this budget we have trimmed every edge of our cloth and now face a reality where living within our means still requires significant investment to address years of underinvestment and poor investment decisions.

The Long Term Plan does not propose to make any major changes to the levels of service from the previous Long Term Plan, other than adding kerbside recycling collection to Takapau, Otane, Onga Onga, and Tikokino and replacing rubbish bags with wheelie bins from year 3.

The main focus of the Long Term Plan was about continuing the #bigwaterstory programme of Three Water Infrastructure, and in particular treatment of Wastewater.

Officers have included the decisions from the deliberations into the Long Term Plan, which is presented to the Council for consideration and adoption. Those decisions can also be referenced in the minutes (attached) from the Council meeting of the 17th May 2021 where Council made deliberations on the Long Term Plan.

The Long Term Plan includes Rate Increases over the 10 years of the Plan as per the below table.

	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP Average
Non Targeted Rates	10.5%	5.3%	2.9%	7.2%	5.0%	2.1%	3.5%	3.4%	0.1%	9.1%	4.9%
Targeted Rates	5.7%	9.6%	13.2%	7.5%	26.1%	7.8%	3.1%	4.2%	25.9%	7.7%	11.1%
Total Rates	8.8%	6.8%	6.5%	7.3%	12.8%	4.5%	3.3%	3.7%	11.1%	8.4%	7.3%

Section 100(2) of the LGA allows for Council to set projected operating revenue at a different level from operating expenses taking into account achieving and maintaining level of service provision, maintenance of assets and facilities and affordability, that is projecting an unbalanced budget. This is primarily due to not fully funding depreciation as signalled in the financial strategy and balancing the budget sections of the Long Term Plan. The reason for this is Council is undertaking significant catch up in deferred asset renewals and is unable to fully fund depreciation during the course of this Long Term Plan without further financially stressing its ratepayers with even higher rating requirements.

Years 2 to 10 (2023-2031) of the Long Term Plan are showing as being unbalanced. Balanced Budget percentages dip as low as 90%, but lift in the outer years back to 94%. Officers have projected beyond the LTP and forecast that Council will return to being balanced by 2036.

With the increased level of subdivision occurring in the region, and that planned for in the Long Term Plan, it has been identified that Council has an increasing administrative need to process property file splits upon subdivision.

Feedback throughout the LTP process indicated a strong desire for the cost of development to be borne by developers. Splitting of the property file is an integral part of the subdivision process and in line with this premise, a cost that should also be covered by the developer.

Waikato District Council has adopted this approach and applies a fixed fee of \$82 for each new lot created. The fees are to be paid at "clearance" stage where all relevant fees including development contributions must be paid prior to the issue of 223/224 certification (which is required to create a title). A fixed fee is the most practical mechanism for cost recovery and avoids the need for a third invoice to be issued, potentially some months after the new titles have been created.

To date, this role has been fulfilled by a part time resource two days a week. For the last four months, an additional day has been added to manage the backlog driven by increased demand/volumes. The current level of development associated with subdivision is expected to continue and the 2021 / 2022 budget has increased this resource to five days a week to manage

the workload. A fixed fee per lot would ensure cost recovery in line with Councils adopted Revenue and Financing Policy.

A new fixed fee of \$75 per new lot created is proposed to be added to Council's existing fees and charges schedules which equates to half an hour of the administration charge out rate.

RISK ASSESSMENT AND MITIGATION

The proposed Long Term Plan 2021 – 2031 is a brave step by Council to face up to the facts, and ensure a transparent approach is taken with the community to ensure the facts are known and community are in a position to meaningfully engage.

The proposed Long Term Plan 2021 – 2031 is complex due to the number of big changes and areas of consultation that sit at the core of what matters to community, and the future of Central Hawke's Bay District Council. Officers have applied both strategic, operational and technical knowledge, and engaged third party independent advice on those matters in the Long Term Plan 2021 – 2031 which have a level of risk associated with it. Both the review of the Development Contributions Policy, development of Asset Management Policies and options associated with Wastewater have had additional scrutiny and both internal and external review. The completion of key outstanding Section 17a Reviews have also added a level of risk mitigation to the development of Activity Management Plans for the next 10 years.

The Long Term Plan was subject to public consultation, and compiled with the public consultation process as set out in the Local Government Act 2002.

The Long Term Plan has been subject to audited by both Ernst Young and the Office of Auditor General, and some components have been subject to legal review. **Attached** to this report is a copy of the Management Report and Opinion received from auditors. Representatives from Ernst Young will be in attendance at the meeting to speak to this item.

FOUR WELLBEINGS

This Long Term Plan grapples with the aging infrastructure, recovery from Covid-19, the impact of climate change, and rates affordability.

The Long Term Plan proposed here seeks to balance the economic burden of our ratepayers, whilst also facing up to the facts, as a Council, recognising that age, condition, and non-compliance of many of our assets.

It seeks to improve our environmental footprint, be true to our undertakings to remove waste water from our rivers, ensuring that our ratepayers have fit for purpose infrastructure, while also balancing economic wellbeing.

The cultural, social, economic and environmental fabric of Central Hawke's Bay will be influenced by the decisions made in adopting the Long Term Plan 2021 – 2031. In further leveraging off the vision of Thrive, and the strong foundation of Council's Environmental Strategy, Economic Action Plan, Social Development Action Plan and Tūhono Mai Tū hono Atu Strategy, the Draft Long Term Plan seeks to carefully balance the holistic wellbeing of Central Hawke's Bay.

DELEGATIONS OR AUTHORITY

Under the Local Government Act 2002 Council must adopt their Long Term Plan. This report seeks that adoption.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of significance, and as a result of that a robust consultation and engagement process has occurred as per the requirements of the Local Government Act. Council has met its requirements under the Significance and Engagement Policy.

OPTIONS ANALYSIS

Council has two options:

Option 1: Adopt the Long Term Plan 2021-31 in order to finalise the documents for printing and distribution.

Option 2: Resolve not to adopt the Long Term Plan 2021-31 and to give Officers guidance on which amendments were needed and an amended timeframe related to adoption of the Long Term Plan Document would be required.

Recommended Option

This report recommends option number one, Adopt the Long Term Plan Consultation Document 2021-31 and its supporting documents for addressing the matter.

NEXT STEPS

Following the adoption of the Long Term Plan, Council will set the rates for the first year of the Long Term Plan and a report is included within the agenda of the Council meeting for the setting of the rates.

The Chief Financial Officer, in conjunction with the Chief Executive will make any minor amendments and distributed the Long Term Plan as required.

Council Officers will also respond to all the submissions with the outcome of the deliberations and information adopted as part of the LTP.

Should the Council resolve to not adopt the LTP, officers will be required guidance on which amendments are needed and an amended timeframe related to adoption of the LTP would be required.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) That Council resolves that the Long Term Plan Budgets for financial years 2-10 (2023-2031) is not a balanced budget because operating revenues are not at a level sufficient to meet operating expenses primarily due to not fully funding depreciation as signalled in the financial strategy and balancing the budget sections of the Long Term Plan.
- b) That Council resolves that setting an unbalanced budget for years 2-10 (2023-2031) is prudent in terms of section 100 of the Local Government Act 2002 given Council is undertaking significant catch up in deferred asset renewals and is unable to fully fund depreciation during the course of this Long Term Plan without further financially stressing its ratepayers, having had regard to the matters in section 100(2) of the Local Government Act 2002.
- c) That Council note that Council is undertaking assets renewals at a rate faster than they are depreciating, meaning on average Councils assets are getting younger. This is achieved through a combination of rates and debt funding the renewals. While this strategy increases debt, Council maintains sufficient debt headroom and this temporary funding of renewals through debt does not financially distress the Council. It is Councils intention to revert to fully rate fund depreciation and renewals beyond 2031, thus returning Council to a balanced budget after this date. For these reasons Council believes it is prudent to run unbalanced budgets for 2023-2031.
- d) That Council adopt the 2021-31 Long Term Plan in accordance with section 93G of the Local Government Act 2002.
- e) That Council gives delegations to the Chief Executive to make any final edits, including minor changes from the audit process, to the Long Term Plan 2021 – 2031 ahead of formal publication.
- f) That Council amends its fees and charges schedule for 2021/22 to include a fixed administration fee of per new lot created of \$75 GST inclusive entitled “New Property File Creation”.

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 13 MAY 2021 AT 9.00AM**

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Jerry Greer
Cr Exham Wichman (apology)
Cr Brent Muggeridge
Cr Tim Aitken
Cr Gerard Minehan
Cr Kate Taylor
Cr Pip Burne
Roger Maaka (Kaiarahi Matua) (not present)

IN ATTENDANCE: Monique Davidson (Chief Executive)
Brent Chamberlain (Chief Financial Officer)
Nicola Bousfield (Group Manager, People and Business Enablement)
Doug Tate (Group Manager, Customer and Community Partnerships)
Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Darren de Klerk (Director Projects and Programmes)
Caitlyn Dine (Governance and Support Officer)

1 PRAYER

Mayor Walker led the prayer

2 APOLOGIES
<p>RESOLVED: 21.50</p> <p>Moved: Mayor Alex Walker Seconded: Cr Kate Taylor</p> <p>That the apologies for absence from Cr Wichman be accepted.</p> <p style="text-align: right;">CARRIED</p>

3 DECLARATIONS OF CONFLICTS OF INTEREST

Councillor Burne declared she is an employee at Stephenson Transport and a trustee of the Central Hawkes Bay Community Trust.

Councillor Annand declared her husband is a builder and they are looking to subdivide land in the near future. Councillor Annand has met with Sir Graham Avery from Community Fitness Trust.

4 STANDING ORDERS

RESOLVED: 21.51

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

THAT the following standing orders are suspended for the duration of the meeting:

20.2 Time limits on speakers

20.5 Members may speak only once

20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner

.CARRIED**5 CONFIRMATION OF MINUTES****RESOLVED: 21.52**

Moved: Cr Pip Burne

Seconded: Cr Jerry Greer

That the minutes of the Ordinary Council Meeting held on 13 April 2021 as circulated, be confirmed as true and correct.

CARRIED**6 REPORTS FROM COMMITTEES**

Nil

7 REPORT SECTION**7.1 LONG TERM PLAN 2021 - 2031 SCENE SETTING - OVERVIEW REPORT****PURPOSE**

The purpose of this report is to provide a summary on the Long Term Plan 2021 – 2031 process, and the matters still be deliberated on.

RESOLVED: 21.53

Moved: Cr Kate Taylor

Seconded: Cr Brent Muggeridge

a) That, having considered all matters raised in the report, the report be noted.**CARRIED**

Mr Chamberlain presented this report.

Councillor Muggeridge asked about shifting the additions from the general rates into the UAGC as he had concern about rural rate payers. There was further discussion around how this works.

Councillor Taylor spoke to the movement that rural rate payers may not directly paying for the three waters infrastructure, yet feel indirectly they are.

7.2 LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: DRINKING WATER, STORMWATER AND WASTEWATER BYLAWS.

PURPOSE

The matter for consideration by the Council is to consider and deliberate on submissions made on the 3 Waters Bylaws review (Water Supply, Stormwater and Wastewater bylaws).

RESOLVED: 21.54

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

That having considered all matters raised in the report:

- a) **That Council receive the changes made to the Proposed Water Supply, Stormwater and Wastewater Bylaws attached to this report, following its release for community consultation as part of the 2021 – 2031 Long Term Plan.**
- b) **That council adopt the draft 2021 Water Supply Bylaw attached to this report, with the Policy having immediate effect upon its adoption.**
- c) **That council adopt the draft 2021 Stormwater Bylaw attached to this report, with the Policy having immediate effect upon its adoption.**
- d) **That council adopt the draft 2021 Wastewater Bylaw attached to this report, with the Policy having immediate effect upon its adoption.**
- e) **That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.**

CARRIED

Mr de Klerk presented this report.

Councillor Aitken asked if the word “eliminate” could be removed from the storm water bylaw report, he was uncomfortable with this word as we will never be able to eliminate the effect on the environment. Mr de Klerk explained the wording for this as a hierarchy of controls your first option is to eliminate then mitigate, manage or control if you cannot eliminate. It is a policy statement across all bylaws to manage the sustainability of growth.

Councillor Minehan spoke to the motion that it was time our Council reviewed the three water bylaws as they needed to be refreshed and updated to reflect our environmental and infrastructural demands for this present time and future needs. Councillor Minehan acknowledged the thoroughness and in depth detail submissions that came through. Council has been asked over again about new build homes to capture rain water and Council can finally make that happen for the community.

Councillor Burne spoke to the motion that she supports the recommendation and followed on from what Councillor Minehan spoke about. Councillor Burne asked if we could incentivise water conservation to existing water tank home owners as well. Councillor Burne spoke about an education programme to install tanks and low interest loans and that Council promoted drought resilient planting to conserve water in the summer. Councillor Burne acknowledged it is great to see we are moving in the right direction.

7.3 LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: CHALLENGE 1 - PLANNING AND FUNDING OUR WASTEWATER UPGRADES**PURPOSE**

The matter for consideration by the Council is to consider and deliberate on consultation feedback related to **Challenge # 1 – ‘Planning and Funding our Wastewater Upgrades’** received through the Long Term Plan process.

RESOLVED: 21.55

Moved: Mayor Alex Walker

Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report:

- a) **That Council adopt Option 4 to implement the 15 year investment programme of wastewater upgrades across the six wastewater systems through loan funding.**
- b) **That council endorse the approach to recover a capital contribution from Trade Waste Industry contributors in addition to the current operational charges – with adoption taking place through the Revenue and Financing Policy and Annual fees and charges setting.**
- c) **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

CARRIED

Mr de Klerk presented this report.

Mayor Walker spoke to the motion that it is only right that we get this work underway. The whole of Central Hawkes Bay wants this to be successful. It is vital to get this done right for a thriving CHB.

Councillor Muggeridge spoke to the motion reiterating what Mayor Walker spoke about. The biggest issue since being elected to Council “dig once do it right”.

Councillor Annand noted everyone should be proud of where we are at.

7.4 LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: TRADE WASTE BYLAW**PURPOSE**

The matter for consideration by the Council is to consider and deliberate on submissions made on the 2021 Draft Trade Waste bylaw.

RESOLVED: 21.56

Moved: Cr Brent Muggeridge

Seconded: Cr Gerard Minehan

That having considered all matters raised in the report:

- a) That council adopt the draft 2021 Trade Waste Bylaw with minor changes as presented.
- b) That council endorse the approach to recover a capital contribution from Trade Waste Industry contributors in addition to the current operational charges – with adoption taking place through the Revenue and Financing Policy and Annual fees and charges setting.
- c) That council endorse the approach to phase or stage the recovery of capital contribution towards 100% within four years as set out in the revenue and financing policy.
- d) That Council note that industry paying for their share of capital contribution relevant to the cost of discharging was the communities preferred outcome.
- e) That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.

CARRIED

Mr de Klerk presented this report.

Councillor Muggeridge spoke to the motion no reason why a rate payer should subsidise business, it's a cost they have to occur, it gives them incentive to do treatment on their own property which would reduce Councils overall costs by a significant amount if trade wasters treated their own waste on their properties.

Councillor Minehan spoke to the motion we as a community must all play our part in trying to solve our waste water problem. We must be mindful of passing the new Trade Waste bylaw that the trade waste industry is going to be burdened by a new capital contribution cost, but most trade waste partnerships are about community and business doing the right thing.

7.5 LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: CHALLENGE 2 - FUNDING REPLACEMENT OF OUR ASSETS**PURPOSE**

The matter for consideration by the Council is to consider consultation feedback related to **Challenge # 2 – 'Funding the Replacement of our Assets'** received through the Long Term Plan process - The Funding for Replacement of Our Assets.

RESOLVED: 21.57

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

That having considered all matters raised in the report:

- a) **That Council adopt Option 1 as set out in the Long Term Plan 2021 - 2031 for Challenge 2. To debt fund for 5 years, to deliver essential renewals and upgrades to our drinking water, wastewater (excluding the big waste water story upgrade) and storm water assets and community facilities assets.**
- b) **That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.**

CARRIED

Mr Lloyd presented this report.

Councillor Minehan spoke to the motion it is very important to start doing renewals. Hopefully once the renewals get started there will be less and less complaints on water leaks. Common sense to start repairing our assets. High risk on major failures if we don't do this.

Councillor Taylor spoke to the motion "no more band aids" 94% in favour of option 1, it has the best balance between meeting infrastructure needs and affordability.

Meeting adjourned at 10:41am for morning tea break.

Meeting resumed at 11:09am

7.6 LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: CHALLENGE 3 - CREATING A WASTE FREE CHB

PURPOSE

The matter for consideration by the Council is the LTP deliberations with respect to Challenge 3 and a Waste Free CHB.

MOTION

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Kate Taylor

In Favour: Crs Alex Walker, Kelly Annand, Jerry Greer, Tim Aitken, Gerard Minehan, Kate Taylor, Pip Burne

Against: Cr Brent Muggeridge

CARRIED 8/1

That having considered all matters raised in the report:

- a) That Council adopt Option 1 as set out in the Long Term Plan 2021 – 2031 for Challenge 3, specifically that Council selects the following service delivery approach for Solid Waste:

1. Extend the recycling and rubbish service at an increase of \$42,000 per year, and
2. Introduce a wheeled bin refuse service in year 3, and
3. Introduce a 3 crate system for recycling, and
4. Close the drop off centres in Otane, Takapau, Tikokino and Ongaonga and the create a targeted rural recycling scheme.

- b) That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.

AMENDMENT

Moved: Mayor Alex Walker

Seconded: Cr Kate Taylor

That Council increases the UAGC contribution to Solid Waste activities from \$35k to \$70k.

Mr Lloyd and Mrs Wiggins presented this report.

Councillor Annand spoke to the motion that she is excited to see the extension of recycling and rubbish centres in to rural towns a good thing for our people and has confidence in the trailer system that rural and beaches now have the benefit of being able to take part in recycling. Councillor Annand noted "we can always go back and change things".

Councillor Taylor spoke to the motion she acknowledged we wouldn't be looking at changing if what we had was working. She looks forward to seeing the targeted rural recycling scheme develop.

Councillor Muggeridge was against getting rid of drop off centres but in favour of the other recommendations.

Councillor Aitken can concur with Councillor Muggeridge about the drop off centres but agrees with Councillor Annand in saying “we can always change things”

Mayor Walker noted roadside recycling will lessen the amount that goes to landfill and reduce the amount of contamination and the “big bang” for this is the increase in curb side recycling to rural townships outside of Waipawa and Waipukurau.

7.7 LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: CHALLENGE 4 - HOW WE PAY FOR GROWTH

PURPOSE

The purpose of this report is to present to Council the submissions and analysis related to Challenge 4 – How do we pay for growth, one of the key decisions required as part of the Long Term Plan 2021 – 2031.

RESOLVED: 21.58

Moved: Cr Tim Aitken
Seconded: Cr Jerry Greer

That having considered all matters raised in the report:

- a) **That Council note that Option 1 – that Developers pay for the full cost of growth was the communities preferred option.**
- b) **That Council notes K Bayliss' submission relating to the remission of development contributions and takes no action at this time.**
- c) **That Council receive the changes made to the Proposed Development Contributions Policy attached to this report, following its release for community consultation as part of the 2021 – 2031 Long Term Plan.**
- d) **That Council adopt the Proposed Development Contributions Policy 2021 attached to this report, with the Policy having immediate effect upon its adoption.**
- e) **That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.**

CARRIED

Mr Tate presented this report.

Councillor Aitken spoke to the motion that he accepts the fact we are a bit late as a lot is going on in the district that will put pressure on our infrastructure going forward. It is unfair on our community at present who are already paying for infrastructure upgrades to also be paying for developments going forward.

Meeting adjourned at 12:25pm for a lunch break.

Meeting resumed at 1:10pm

7.8 LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: FINANCIAL AND INFRASTRUCTURE STRATEGY**PURPOSE**

The matter for consideration by the Council is to consider consultation feedback on the financial and infrastructure strategy received through the Long Term Plan process and to make any required decisions.

RESOLVED: 21.59

Moved: Cr Brent Muggeridge

Seconded: Cr Pip Burne

That having considered all matters raised in the report:

- a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.
- b) That the Financial and Infrastructure Strategies pending amendments following Councils decisions on the key 4 challenges and other activities be endorsed, ready for adoption when the Long-term Plan 2021 – 2031 is considered for adoption.
- c) That the Treasury Management Policy (including Investment and Liability Policies) attached to this report be adopted.

CARRIED

Mr Chamberlain and Mr Lloyd presented this report.

Mayor Walker noted this is our time to be investing in our infrastructure.

7.9 LONG TERM PLAN 2021-2031 DRAFT DELIBERATION REPORTS: PLANNING AND REGULATORY SERVICES**PURPOSE**

The purpose of this report is to present to Council the submissions received on the Long Term Plan consultation in relation to the Planning and Regulatory Services Activity. It provides an analysis of the submissions.

RESOLVED: 21.60

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

That, having considered all matters raised in the report:

- a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

CARRIED

Mr Tate, Mrs Harrison and Mrs Burns presented this report.

Councillor Minehan spoke to the motion in congratulating all submitters acknowledging they had great points.

7.10 LONG TERM PLAN 2018-2028 DRAFT DELIBERATION REPORTS: LAND TRANSPORT**PURPOSE**

The purpose of this report is to present to Council the submissions received on the Long Term Plan consultation in relation to Land Transport. It provides an analysis of the submissions and some options for the Council to consider.

RESOLVED: 21.61

Moved: Mayor Alex Walker

Seconded: Cr Tim Aitken

That, having considered all matters raised in the report:

- a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**
- b) That Council continue to lobby and leverage Waka Kotahi to provide funding to the sealing of unsealed roads.**

CARRIED

AMENDMENT

Moved: Mayor Alex Walker

Seconded: Cr Tim Aitken

- c) That Council increases the land transport rate by \$200,000 per year to progress sealing of unsealed hot spots.**

CARRIED

Mr Lloyd and Mr McKinley presented this report.

Mayor Walker spoke to the motion adding a third recommendation.

7.11 LONG TERM PLAN 2018-2028 DRAFT DELIBERATION REPORTS: PLACES AND OPEN SPACES**PURPOSE**

The purpose of this report is to present to Council the submissions received on the Long Term Plan consultation in relation to the Places and Open Spaces Activity. It provides an analysis of the submissions and some options for the Council to consider.

RESOLVED: 21.62

Moved: Cr Brent Muggeridge

Seconded: Cr Kate Taylor

That, having considered all matters raised in the report:

- a) **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**
- b) **That Council encourage the clubs of Russell Park to actively participate in Councils Community Facility Plan, intended to commence this calendar year, subject to the confirmation of funding in the 2021 – 2031 Long Term Plan.**
- c) ~~**That Council provide new operational funding of \$35,000 in Year 2 and 3 of the Long Term Plan, to provide operational support and resourcing for the development of the Sporthub Project at Russell Park.**~~
- d) **That Council reconsiders the request for temporary changing rooms, following the completion of the Community Facilities Plan, wider club feedback relating to the timing and scope of any multisport hub project for Russell Park and an assessment of actual demand and need, either in the 2022/23 Annual Plan or as an Officer report.**

CARRIED

AMENDMENT

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Gerard Minehan

That Council supports the concept of the development of the sports hub project at Russell Park. Recognising it as a key strategic asset for Central Hawkes Bay.

CARRIED

Mr Tate and Mrs Leaf presented this report.
Noted the removal of **C** and added amendment.

7.12 LONG TERM PLAN 2018-2028 DRAFT DELIBERATION REPORTS: COMMUNITY LEADERSHIP**PURPOSE**

The purpose of this report is to present to Council the submissions received on the Long Term Plan consultation in relation to the Community Leadership Activity. It provides an analysis of the submissions and provides some options for Council to consider.

RESOLVED: 21.63

Moved: Cr Kate Taylor

Seconded: Cr Tim Aitken

That, having considered all matters raised in the report:

a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

CARRIED

Mr Tate presented this report.

7.13 LONG TERM PLAN 2018-2028 DRAFT DELIBERATION REPORTS: SOLID WASTE**PURPOSE**

The purpose of this report is to present to Council the submissions received on the Long Term Plan consultation in relation to the Solid Waste activity. It provides an analysis of the submissions and some options for the Council to consider.

RESOLVED: 21.64

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

That, having considered all matters raised in the report:

a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

CARRIED

Mr Lloyd presented this report.

7.14 MANAGEMENT SUBMISSION TO THE LONG TERM PLAN 2021 - 2031 DELIBERATIONS

PURPOSE

The purpose of this report is to make a management submission on the Long Term Plan (LTP) 2021-2031 deliberations.

RESOLVED: 21.65

Moved: Cr Kate Taylor

Seconded: Mayor Alex Walker

That having considered all the matters raised in the report:

- a) That Council note the Management submission presented to Council, outlining recommended changes to the Long Term Plan 2021 – 2031 budgets, since draft budgets were initially adopted.
- c) The Council repurposes up to \$160,000 of funding in Year 1 of the Long Term Plan identified to support the upgrades of the Central Hawke's Bay District Community Trust Assets, in order for a full and comprehensive review of the Trust's assets and future maintenance and renewal liabilities to be identified for the Pool Complex, Gymnasium and Stadium and Sports Turf Complex.
- d) That Council acknowledges that the Trust will require financial support for the implementation of any short-term works to remediate and make safe the ceiling of the indoor pool complex and that the remaining funds identified in Year 1 of the Long Term Plan to support the upgrades required of the Central Hawke's Bay District Community Trust Assets are retained, with a further report to Council being made, prior to the release of any funds.
- e) That The Trust and Council work collaboratively as part of the Central Hawke's Bay Community Facilities Plan Review, to understand the role and opportunities for the Trust now, and into the future.
- f) That Council provide funding of \$37,813 in Year 1 of the Long Term Plan, funded through debt for covers of the Waipawa Centennial Memorial Pool.
- g) That Council loan fund a \$30,000 contribution to the Hawke's Bay Community Fitness Centre Trust, funded over three years through loans.
- h) That Council note and endorse the \$15,000 of Interest be allocated to Special Funds, rather than general funds, thus increasing general rates by \$15,000.
- i) That Council note and endorse the recommendation that Asset Life Expectancy of new Assets be reviewed which will impact depreciation charges, but have no rating impact.
- j) That Council note and endorse the increase in budget allowances for electricity budgets in light of the recent Electricity Contract Renewal increases, increasing general rates by \$11,000, UAGC \$4,000 and Targeted Water Rates by \$10,000

- k) That Council note and endorse the reallocation of Kiwisaver costs to be allocated as a direct cost rather than an overhead in line with NZTA audit recommendations. This will increase general rates by \$29,515, increase UAGC \$7,820, decrease land transport rates by \$31,325, and decrease 3 Waters Targeted Rates by \$8,403.**

.CARRIED

Mr Tate and Mr Chamberlain presented this report.

Amendment made **B** removed and numbers for UAGC updated. **C D E J K** motions changed as there were mistakes in initial resolutions.

Mayor Walker spoke to the motion thanking the trust for working with Council and is very keen to provide some support the Community Fitness Centre trust.

Councillor Burne noted a conflict of interest being a trustee of the Community Trust and acknowledged the great work.

Meeting Adjourned at 3:00pm for an afternoon tea break.

Meeting resumed at 3:21pm

RESOLUTION TO EXTEND THE MEETING

RESOLVED: 21.66

Moved: Mayor Alex Walker

Seconded: Cr Pip Burne

That the meeting be extended longer than 6 hours.

CARRIED

7.15 REVENUE AND FINANCING POLICY, AND FEES AND CHARGES 2021/22

PURPOSE

The matter for consideration by the Committee is the adoption of the Revenue and Financing Policy as well as the Fees and Charges for 2021/22. This is the report where Council will make the key policy decision related to the Trade Waste contribution to the Wastewater Capital upgrade.

RECOMMENDATION FOR CONSIDERATION

That, having considered all matters raised in the report:

- 1. That Council adopts the revision to the "Revenue and Financing Policy" as set out in Attachment 1 as per amendment.**
- 2. That Council adopts the Fees and Charges for the financial year dated 2021/22 as set out in Attachment 2.**
- 3. That Council specifically adopts to introduce a trade waste capital contribution charges as set out in Trade Waste Fees and Charges sections B13-B22.**

4. **That Council specifically adopts to phase in the Trade Waste capital contribution to be 100% within four years, commencing with a 33% contribution in Year One, 37% in Year Two, and 75% in Year Three.**
5. **That Council give notice pursuant to Section 103 of the Local Government Act 2002 of its intention to prescribe the fees payable for the period 1 July 2021 to 30 June 2022 in respect of certificates, authorities, approvals, consents, and services given or inspections made by the Council under the Local Government Act 2002, the Building Act 2004, the Building (Infringement Offences, Fees, and Forms) Regulations 2007, the Amusement Devices Regulations 1978, the Resource Management Act 1991, Health (Registration of Premises) Regulations 1966, Sale and Supply of Alcohol (Fees) Regulations 2013, the Gambling Act 2003, the Burial and Cremation Act 1964, and the Central Hawke's Bay District Council Bylaws as set out in the Fees and Charges Schedule 2021/22.**

Councillor Minehan moved initial resolutions 1-5 with Councillor Muggeridge seconding it. Councillor Muggeridge withdrew his motion and the initial resolution failed, amendments were then made.

AMENDMENT

Moved: Mayor Alex Walker
Seconded: Cr Brent Muggeridge

3. That Council specifically adopts to introduce a trade waste capital contribution charges as set out in Trade Waste Fees and Charges sections B13-B22.

4. That Council specifically adopts to phase in the Trade Waste capital contribution to be 100% within four years, commencing with a 50% contribution in Year One, 60% in Year Two, and 85% in Year Three.

In Favour: Crs Alex Walker, Kelly Annand, Jerry Greer, Brent Muggeridge, Tim Aitken, Kate Taylor

Against: Cr Gerard Minehan

Abstained: Cr Pip Burne

CARRIED 7/1

AMENDMENT

Moved: Deputy Mayor Kelly Annand
Seconded: Cr Pip Burne

1. That Council adopts the revision to the "Revenue and Financing Policy" as set out in Attachment 1 as per amendment.

2. That Council adopts the Fees and Charges for the financial year dated 2021/22 as set out in Attachment 2.

5. That Council give notice pursuant to Section 103 of the Local Government Act 2002 of its intention to prescribe the fees payable for the period 1 July 2021 to 30 June 2022 in respect of certificates, authorities, approvals, consents, and services given or inspections made by the Council under the Local Government Act 2002, the Building Act 2004, the Building (Infringement Offences, Fees, and Forms) Regulations 2007, the Amusement Devices Regulations 1978, the Resource Management Act 1991, Health (Registration of Premises) Regulations 1966, Sale and Supply of Alcohol (Fees) Regulations 2013, the Gambling Act 2003, the Burial and Cremation Act 1964, and the Central Hawke's Bay District Council Bylaws as set out in the Fees and Charges Schedule 2021/22.

CARRIED

AMENDMENT

Moved: Cr Brent Muggeridge
Seconded: Cr Tim Aitken

That Council conduct a rate review to examine the weighting between the General Rate and the UAGC in the 2021/2022 year. And further that the rating review gives particular reference to differentials regarding the distance of those living to our urban services.

That Council allocates a further \$20,000.00 within the Community Leadership Budget for the 2021/2022 year to fund this work.

CARRIED

Mr Chamberlain and Mr de Klerk presented this report.

8 CHIEF EXECUTIVE REPORT

Nil

9 PUBLIC EXCLUDED BUSINESS

Nil

10 DATE OF NEXT MEETING

RESOLVED: 21.67

Moved: Cr Jerry Greer

Seconded: Deputy Mayor Kelly Annand

THAT the next meeting of the Central Hawke's Bay District Council be held on 3 June 2021.

CARRIED

11 TIME OF CLOSURE

The Meeting closed at 4:16pm

The minutes of this meeting were confirmed at the Council Meeting held on 3 June 2021.

.....
CHAIRPERSON



100 Willis Street
Wellington 6011 New Zealand
PO Box 490 Wellington 6140

Tel: +64 4 499 4888
Fax: +64 4 495 7400
ey.com/nz

Private & Confidential

The Council
Central Hawke's Bay District Council
PO Box 127
28-32 Ruataniwha Street
Waipawa 4240

10 June 2021

Dear Council members

Closing report to Council for the audit of the 2021-31 Long Term Plan

We have provided this letter in our role as the Appointed Auditor of the Council on behalf of the Auditor-General in accordance with the Public Audit Act 2001.

Our audit work is complete and we will issue an opinion in the format presented in Appendix A. Our primary audit work relating to Council's plan for the next ten years was completed prior to the consultation document being finalised and the results of this work were reported to you in our report dated 11 February 2021. Our audit work relating to the final long-term plan ("plan") consisted of considering changes to the Council's plan and financial forecasts resulting from consultation with the community and reviewing the final plan document. In completing our audit work relating to the final plan we haven't identified any additional matters that need to be reported to you.

Our audit report will be an unmodified opinion that includes two emphasis of matter paragraphs that draw readers' attention to important disclosures contained in the plan relating to three waters reform and balancing the budget. The rationale for including the emphasis of matter paragraphs is outlined below.

Three Waters Reform Programme

- ▶ Central and local government organisations continue to consider the challenges of regulating and delivering three waters services. New legislation has been passed and a new water services regulator, Taumata Arowai, has been established.
- ▶ Key challenges in delivering water services include obtaining relevant and reliable information about condition and performance of assets and appropriately investing in assets. The Government considers structural reform as the most effective way to address these challenges. As a result, it has started the three waters reform programme.
- ▶ The proposed three water reform programme considers structural changes to how water supply and waste water assets are owned and managed (with the potential for stormwater assets to be included).
- ▶ These changes, whilst still uncertain, are likely to occur in the medium term and may significantly

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change what Council has assumed will be in its remit for the long term plan period.

- ▶ In preparing the plan Council have assumed no change in the current ownership and management of the three waters assets. Council have adequately disclosed this assumption in the plan and outlined to readers that further consultation is likely ahead of changes being made.
- ▶ Consistent with our opinion provided for the consultation document, we have included an emphasis of matter in our opinion with respect to the uncertainty associated with the proposed three water reform program.
- ▶ The inclusion on an emphasis of matter is a result of two of the four challenges that were consulted on relating to water assets, the funding for these projects having a significant impact on forecast debt and rates, and these projects plus the three waters as a whole being a core service delivered to residents. The emphasis of matter paragraph included in our opinion draws readers' attention to the disclosures Council have included in the plan relating to this matter and we consider these disclosures to be adequate.

Balancing the budget

- ▶ As part of considering community feedback from the consultation process and determining the content of the final plan Council adjusted the planned funding mix to reduce rates and increase debt. Average planned rates over the period have decreased from approximately 8% to 7% and debt is forecast to peak at a higher level now above \$100m.
 - ▶ The plan proposes an unbalanced budget for nine of the ten years. For the majority of years revenue covers approximately 90% of expenditure and this increases to 95% in the final two years of the plan. Council is not forecasting to balance the budget until circa 2036.
 - ▶ Debt is forecast to increase five-fold over the term of the plan. Whilst the use of debt allows the cost of infrastructure assets to be spread over a broader group of rate payers the increase in debt results in Council exceeding both its own internal debt limit and the LGFA borrowing limit for Tier two Councils. The Council has plans in place to address both of these matters in due course.
 - ▶ A part of what is driving the unbalanced budget is Council's focus on operating and managing assets in a more sustainable way. The change to be more proactive and sustainable is positive and we note Council plans to balance the budget in time, but an initial period of adjustment is required to both catch-up on historical underinvestment and to increase rates in a considered way that takes account of ratepayers' circumstances.
 - ▶ We have included an emphasis of matter paragraph in our opinion to draw readers' attention to the disclosures Council have included in the plan relating to balancing the budget. It will take a period of time to reach a balanced budget and the actions Council will take to achieve this outcome are important.
-

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Observations and recommendations

As part of our work relating to the final plan, we haven't identified any further recommendations to improve Council's processes. We note that progress has been made with respect to the recommendations we made as part of our audit work relating to the consultation document.

Independence

We confirm that in our professional judgment the engagement team and the Firm are independent. We also confirm that we have complied with PES AG 1 Code of ethics for assurance practitioners, and in our professional judgement, the audit team and the Firm are independent.

We are satisfied that all EY locations which have provided services in the past or are currently providing services to Council have complied with the relevant independent requirements. We are satisfied that the services provided by EY do not impact our independence.

We are not aware of any relationships between the Firm or other firms that are members of the network of EY firms and Council that, in our professional judgment, may reasonably be thought to bear on independence.

In addition to the audits of the consultation document and long-term plan we also audit the annual report and provide reporting in respect of Council's debenture trust deed.

Audit differences

There are no unadjusted audit differences pertaining to the financial modelling for the 2021-31 long term plan.

All audit adjustments identified during our audit have been corrected by management. The following table contains the adjustments that have been corrected by management:

	Assets (Decrease) / Increase (\$000)	Liabilities Decrease / (Increase) (\$000)	Equity/P&L (Decrease) / Increase (\$000)
Reclassification of cash to investments of \$270k	-	-	-
Total	-	-	-

Other matters

This letter has been prepared for the sole use of the Council, Committees of Council, management and others within the Council. It must not be disclosed to a third party or quoted or referred to without our written consent. No responsibility is assumed by EY to any other person.

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Finally, we would like to take this opportunity to thank your staff for the co-operation we have received throughout our audit. If there are any further matters which you wish to discuss concerning our audit, please do not hesitate to call us.

Yours faithfully
Ernst & Young

A handwritten signature in dark blue ink, appearing to read 'D. Borrie', with a long horizontal stroke extending to the right.

David Borrie
Partner

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Appendix A - Draft audit report

INDEPENDENT AUDITOR'S REPORT

CENTRAL HAWKE'S BAY DISTRICT COUNCIL'S 2021-31 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Central Hawke's Bay District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Ernst & Young. We completed our report on 17 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 109 to 112 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over three waters reforms

Page 5 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based. The Council expects further consultation with the community will be required once there is greater certainty with respect to the proposals.

Balancing the budget

Page 151 outlines that the Council is planning a balanced budget in year one of its plan, but not a balanced budget for the remaining nine years. The Act requires a Council to budget operating revenue that meets planned operating expenses for each year of the plan unless, after considering certain matters set out in the Act, it resolves that it is financially prudent to budget less operating revenue. The

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Council explains on pages 152 to 156 the reasons why it is financially prudent to plan not to have a balanced budget, how and when it is likely to have a balanced budget, and the impact of the decision on future debt and rates.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

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**Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits and debenture trust deed reporting, we have no relationship with or interests in the Council.

David Borrie
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand

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6.3 SETTING OF RATES FOR 2021/2022**File Number: COU1-1400****Author: Brent Chamberlain, Chief Financial Officer****Authoriser: Monique Davidson, Chief Executive****Attachments: Nil****PURPOSE**

The matter for consideration by the Council is the setting of the rates for the 2021/22 financial year. This report is on the basis that Council adopt the Long Term Plan 2021 -2031 as set out in Agenda Item 6.2.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) Pursuant to Section 23(1) of the Local Government (Rating) Act 2002, the Central Hawke's Bay District Council resolves to set the rates, due dates and penalties regime for the 2021/22 year.**

1. General Rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing all or some of the cost of:

- Community leadership, including administration, cost of democracy, community voluntary support grants
- All regulatory activities, including district planning, land use and subdivision consent costs, building control, public health, animal control, and compliance.
- Solid waste
- Parks and reserves, public toilets, theatres and halls, cemeteries, and miscellaneous property costs

For the 2021/22 year, this rate will be based on the rateable capital value of all rateable land within the District on a differential basis as set out below:

General Rate Differential Zone	Differential	2021/22 Cents per Dollar of Capital Value (including GST)
Waipawa / Waipukurau Central Business District Zone	1.1	0.14455
Rest of District	1.0	0.13141

2. Uniform Annual General Rate

A rate set under section 15 of the Local Government (Rating) Act 2002 on each separately used or inhabited part of a rating unit within the District. See definition below. This rate is for the purpose of providing:

- Economic and social development.
- A portion of the cost of solid waste
- Libraries and swimming facilities

For the 2021/22 year, this rate will be \$309.00 (including GST).

Targeted Rates

3. District Land Transport Rate

A rate for the Council's land transport facilities set under section 16 of the Local Government (Rating) Act 2002. This rate is set for the purpose of funding the operation and maintenance of the land transport system.

For the 2021/22 year, this rate will be 0.22172 cents per dollar (including GST) based on the land value of all rateable land in the district.

Separately Used or Inhabited Parts of a Rating Unit

Definition – for the purposes of the Uniform Annual General Charge and the targeted rates above, a separately used or inhabited part of a rating unit is defined as –

A separately used or inhabited part of a rating unit includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any time, which are used by the owner for occupation on an occasional or long term basis by someone other than the owner.

Examples of separately used or inhabited parts of a rating unit include:

- For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance.
- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations.

4. Water Supply Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit. The purpose of this rate is to fund water supplies for Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau and Te Paerahi.

The purpose of this rate is to fund the maintenance, operation and capital upgrades of water supplies and treatment in those parts of the District where these systems are provided.

The rate is subject to differentials as follows:

- a) a charge of per separately used or inhabited part of a rating unit connected in the Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau, and Te Paerahi Beach communities.

- b) a half charge per separately used or inhabited part of a rating unit which is serviceable for the above locations.

For this rate:

- "Connected" means a rating unit to which water is supplied.
- "Serviceable" means a rating unit to which water is not being supplied, but the property it is situated within 100 metres of the water supply.

For the 2021/22 year these rates will be:

	Charge	Water Rate (incl GST)
a	Connected	\$847.95
b	Serviceable, not connected	\$423.98

5. Metered Water Rates

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic metre, over 300 cubic metres per year. This is applied to water users deemed 'Extraordinary' where payment of the Water Supply rate above entitles extraordinary users to the first 300 cubic metres of water without additional charge.

The rate is subject to differentials as follows:

- a rate per cubic metre of water, for users consuming below 40,000 cubic metres
- A rate per cubic metre of water, for users above 40,000 cubic metres, and where the land use category in the valuation database is not 'industrial'
- a rate of per cubic metre of water, for users consuming above 40,000 cubic metres, and where the land use category in the valuation database is 'industrial'

For the 2021/22 year these rates will be:

	Volume of water (cubic metres)	Rate per cubic metre (incl GST)
a	Below 40,000	\$2.65
b	Above 40,000, non-industrial	\$2.65
c	Above 40,000, industrial	\$2.65

6. Sewage Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's sewage disposal function of fixed amounts in relation to all land in the district to which the Council's sewage disposal service is provided or available, as follows:

- (a) a charge per rating unit connected.
- (b) a charge per pan within the rating unit, after the first one.
- (c) a charge per rating unit which is serviceable.

The rate is subject to differentials as follows:

- "Connected" means the rating unit is connected to a public sewerage system.
- "Serviceable" means the rating unit is not connected to a public sewerage drain but is within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one pan.
- For commercial accommodation providers, each subsequent pan will be rated at 50% of the charge.
- For those Clubs who qualify for a rebate of their General Rates under Council's Community Contribution and Club Rebate Remission Policy, and who are connected to the sewerage network, each subsequent pan will be rated at 50% of the Sewerage Charge.

The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, treatment and disposal systems in those parts of the District where these systems are provided.

For the 2021/22 year these rates will be:

	Charge	Sewerage Rate (incl GST)
a	First charge per separately used or inhabited part of a rating unit connected	\$836.59
b	Additional charge per pan after the first	\$836.59
c	Serviceable, not connected, per separately used or inhabited part of a rating unit	\$418.30
d	Additional charge per pan after the first – commercial accommodation provider, qualifying club	\$418.30

7. Stormwater Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the purpose of funding operations and maintenance, plus improvements and loan charges on the stormwater drainage network as follows:

A uniform targeted rate on the capital value of all rateable land in the Waipukurau, Waipawa, Takapau, and Otane Stormwater Catchment Areas on a differential basis as set out below:

Stormwater Catchment Area	Differential	2021/22 Cents per Dollar of Capital Value (including GST)
Otane	0.16	0.01399
Takapau	0.12	0.01049
Waipawa	1.00	0.08747
Waipukurau	1.00	0.08747

8. Kerbside Recycling Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's collection of household recyclables for Waipukurau, Waipawa, Takapau, Otane, Onga Onga, and Tikokino on each separately used or inhabited part of a rating unit to which the Council provides the service.

For the 2021/22 year this rate will be \$88.30 (including GST).

9. Refuse Collection Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the collection of household and commercial refuse for Otane, Onga Onga, Takapau, Tikokino, Waipukurau, Waipawa, Porangahau, Te Paerahi, Blackhead Beach, Kairakau, Mangakuri, Aramoana and Pourerere Beach on each separately used or inhabited part of a rating unit to which the Council provides the service.

For the 2021/22 year this rate will be \$29.06 (including GST).

10. Te Aute Drainage Rate

Te Aute Drainage rates are set on all rateable area of rateable property within the designated area subject to a graduated scale for the purpose of funding the operations, loan charges and the repayment of loans for the Te Aute Drainage Scheme area.

The amount required and the classification is set by the Te Aute Drainage Committee.

Each hectare of land in each property is classified according to the susceptibility of that hectare to flooding as follows:

A (100 points), B (80 points), C (15 points), F (3 points), and G (0 points).

The total number of points is 73614. The total amount of funding required each year determines how much each of these points are worth. In this way, the total amount required is apportioned on a pro rata basis using the weightings on each hectare.

The total amount of funding required for 2021/22 is \$46,000

The amount per point is 62.48811 cents including GST.

The Te Aute drainage scheme area is defined by reference to the classification list establishing the graduated scale.

Valuation Number	Hectares in each classification				Total Points	Amount
	A (100pts)	B (80pts)	C (15pts)	F (3pts)		
1092000300	0	11.3	8.15	31.63	1,121	\$700.49
1092000800	0	32.83	74.69	23.42	3,817	\$2,385.17
1092001001	77.96	39.78	50.27	51.27	11,886	\$7,427.34
1092001100	78.22	0	15.28	39.73	8,171	\$5,105.70
1092001107	0	0	10	61.44	334	\$208.91
1092001400	0	0	0	14.16	42	\$26.25
1092001600	0	0	0	10.12	30	\$18.75
1092001700	38.74	51.06	36.24	45.12	8,638	\$5,397.72
1092002100	188.81	0	0	23.93	18,953	\$11,843.37
1092002300	125.04	9.34	21.59	29.25	13,663	\$8,537.63
1092002900	0	0	0	0.81	2	\$1.25
1092003400	0	0	8.02	6.6	140	\$87.48
1092005800	0	18.63	0	4.93	1,505	\$940.45
1092006100	0	65.81	0	15.84	5,312	\$3,319.37
Total	508.77	228.75	224.24	358.25	73,614	\$46,000.00

Approach to Rating

Rates are set and assessed under the Local Government (Rating) Act 2002 on all rateable rating units on the value of the land and improvements as supplied by Quotable Value New Zealand Limited. . The last rating revaluation was carried out in September 2018 and is effective from 1 July 2019.

The objectives of the council's rating policy is to:

- I. spread the incidence of rates as fairly as possible
- II. be consistent in charging rates
- III. ensure all ratepayers pay their fair share for council services
- IV. provide the income needed to meet the council's goals.

The Central Hawke's Bay District Council rating system provides for all user charges and other income to be taken into account first, with the rates providing the balance needed to meet the council's objectives.

Rating Base

The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy.

Due Dates for Rate Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002, the following dates are proposed to apply for assessing the amount of each instalment of rates excluding metered water rates for the year 1 July 2021 to 30 June 2022. Each instalment will be assessed in four equal amounts, rounded.

Instalment number	Instalment Start Date	Last day of payment without additional charge	Penalty date
1	1 July 2021	20 August 2021	21 August 2021
2	1 October 2021	20 November 2021	21 November 2021
3	1 January 2022	20 February 2022	21 February 2022
4	1 April 2022	20 May 2022	21 May 2022

Due Dates for Metered Water Rates

Pursuant to Section 24 of the Local Government (Rating) Act 2002, the following dates are proposed to apply for assessing the amount of metered water rates for the year 1 July 2021 to 30 June 2022. The assessment is applied to water users after the first 300 cubic metres of water without additional charge has been used as part of the Water Supply Rate.

Area/Users	Water Meters read during	Last day of payment
Commercial/Large Users	Monthly	20th month following
Waipawa / Waipukurau	September, December, March, June	20th month following
Takapau / Otane	August, November, February, April	20th month following
Kairakau / Porangahau / Te Paerahi	July, October, January, April	20th month following

Penalty Charges

(Additional Charges on Unpaid Rates)

Pursuant to Section 58(1)(a) of the Local Government (Rating) Act 2002, an additional charge of 6% will be added on the penalty date above, to all amounts remaining unpaid for each instalment excluding metered water rates.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 6% will be added on 1 July 2021 to the amount of rates assessed in previous financial years and remaining unpaid as at 30 June 2022 (Section 58(1)(b)) excluding metered water rates.

Targeted rates for metered water supply will be invoiced separately from other rates invoices. A 6% penalty will be added to any part of the water rates that remain unpaid by the due date as shown in the table above as provided for in Section 57 and 58(1)(a) of the Local Government (Rating) Act 2002.

EXECUTIVE SUMMARY

This report is the final step in the process of being able to set the rates for the 2021/22 financial year following the adoption of the Long Term Plan 2021 - 2031. The rates included in the report are part of the Funding Impact Statement that is included in the Long Term Plan for the 2021/22 financial year.

BACKGROUND

Council is required to resolve to set the rates, due dates and penalties regime for the 2021/22 year. The rates required by Council to be able to meet the requirements of the purpose of Local Government are part of the development of Long Term Plan and are set out within the attached Funding Impact Statement within the Long Term Plan. Following the adoption of the Long Term Plan, Council is required to set rates in accordance with Funding Impact Statement and Section 23 of Local Government (Rating) Act 2002.

DISCUSSION

Once Council has set its Long Term Plan for the year it knows what it expects its cost structure to be, and therefore what income it needs from rates and fees and charges to recover these costs.

To ensure that the appropriate level of rates are levied, it must set appropriate "Rate Factors" that will generate the required level of rates revenue.

For example, Land Transport is rated based on "Land Value" and Central Hawkes Bay District has \$3.6 billion of land value across its District. The Rates required to cover the Land Transport activity is \$8.0m, so by dividing one into the other, Council is required to rate \$0.0022172 for every dollar of Land Value a property has. This is its Rate Factor.

So working through an example, a house in Waipukurau with a Land Value of \$100,000 will pay \$221.72 in Land Transport Rates.

On Wednesday the 31st May, Council Officers undertook a rates strike based on the rating database at that point in time, to set the Rates Factors for 2021/22 that would generate the revenue required to match the 2021/22 Long Term Plan expectations.

The full list of rates factors are:

Rates Type	2021/22 Factor	2021/22 Factor	% Change
General Rate	\$0.10890	\$0.13141	20.67%
Land Transport	\$0.21871	\$0.22172	1.38%

Refuse Collection	\$30.18	\$29.06	(3.71%)
Sewerage	\$826.70	\$836.59	1.20%
Stormwater	\$0.09105	\$0.08747	(3.93%)
Water Supply	\$789.33	\$847.95	7.43%
Water Supply by Meter	\$2.65	\$2.65	0.00%
Recycling	\$99.84	\$88.30	(11.56%)
UAGC	\$290.53	\$309.00	6.36%
Te Aute Drainage	\$0.23433	\$0.62488	166.67%
Rates Penalty	6%	6%	0%

Historically Central Hawkes Bay District Council has only ever applied rates penalties to non-volumetric rates (that is they have excluded metered water charges). This is not the case for other some other Councils across New Zealand, and Officers are recommending that Central Hawkes Bay District Council introduces penalties on overdue water meter charges in the same manner as other rates types.

RISK ASSESMENT AND MITIGATION

Setting of the rates is a requirement of the LGA and the Section 23 of Local Government (Rating) Act 2002. Council is required to set the rates in accordance with the Act to ensure they are lawful and can be collected from ratepayers. The nature of the resolution recommended to Council is aligned with legal advice.

FOUR WELLBEINGS

Rates funding allows the Council to deliver the services included in the Long Term Plan which are based on the Community Outcomes included in the plan. The rates proposed to be set are consistent with the Long Term Plan 2021/22, therefore the decision before Council enables the Council to fund and finance the programmes and services which will in turn support the fostering of community wellbeing.

DELEGATIONS OR AUTHORITY

Council is required to set rates based on the Long Term Plan and in accordance with Section 23 of Local Government (Rating) Act 2002. This is a duty that only Council has authority to make and is unable to delegate.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being critical to the financial management of the Council, however the decision before Council to strike the rates does not trigger significance in itself.

OPTIONS ANALYSIS

Option 1

Pursuant to Section 23(1) of the Local Government (Rating) Act 2002, the Central Hawke's Bay District Council resolves to set the rates, due dates and penalties regime for the 2021/22 year.

Option 2

Council resolves to not set the rates, due dates and penalties regime for the 2021/22 year and to give Officers guidance on which amendments are needed and an amended timeframe related to setting of rates would be required. Any amendments are likely to result in amendments to the Long Term Plan, which will require further guidance and instruction from Office of the Auditor General.

Setting of rates is key for the service provision and the financial management and funding of Council. Following the adoption of the Long Term Plan 2021 -2031, this allows the Council to collect the rates required to deliver the service of Council for 2021/22. Not setting the rates would put Council at financial risk.

Recommended Option

This report recommends option number one “setting the rates” for addressing the matter.

NEXT STEPS

Following the setting of Rates, Council Officers will strike the rates within the Council rating system and following 1st July, the first rates assessment will be sent to ratepayers.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) Pursuant to Section 23(1) of the Local Government (Rating) Act 2002, the Central Hawke's Bay District Council resolves to set the rates, due dates and penalties regime for the 2021/22 year.**

7 PUBLIC EXCLUDED BUSINESS

Nil

8 DATE OF NEXT MEETING

RECOMMENDATION

THAT the next meeting of the Central Hawke's Bay District Council be held on 24 June 2021.

9 TIME OF CLOSURE